

**REMARKS**

In view of the following remarks, Applicants respectfully submit the instant application is in condition for allowance, an indication of which is respectfully requested at this time.

**Claim Rejections – 35 U.S.C. § 103**

Claims 6 and 31 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Number 5,978,779 (“Stein”) in view of the alleged AAPA. Applicants continue to traverse this rejection because the proposed combination of Stein and the alleged AAPA, at a minimum, fails to describe or suggest an order/transaction processing section having access to the storage medium, the order/transaction processing section configured to apply at least one of the rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer contained in the respective received transaction, wherein:

upon determining to automatically approve execution of the requested order or asset transfer contained in a first received transaction, based on application of at least one of the rules to the request for the order or asset transfer in the first received transaction, the order/transaction processing section forwards the order or the asset transfer in the request contained in the first received transaction to an execution process for fulfillment; and

upon the application of at least one of the rules to a second received transaction indicating a manual user approval is required for execution of the order or asset transfer, in the request contained in a second received transaction, the order/transaction processing section

forwards the request for the order or asset transfer contained in the second received transaction to a user for possible manual approval for execution for fulfillment, as recited in claim 6.

In contrast, Stein deals with other types of data processing functions, such as access control and/or notification of needed documents or government filings. That is, Stein does not even deal with a rule-based determination of whether or not to execute the order contained in the respective received transaction. Although Stein applies rules to a variety of different system functions, Stein does not apply rules to transactions to determine whether or not to execute the order contained in the respective received transaction, and as a result, there is no subsequent forwarding of a transaction regarding an order or asset transfer for execution/fulfillment or forwarding for manual approval of a transaction based on the outcome of the rules application decision. For example, Stein determines what documents a client must execute for a particular transaction (column 6, lines 46-51), but Stein does not determine whether or not the transaction should be executed or sent for manual approval.

The Office Action asserts that Stein describes these features in column 3, lines 50-58, column 4, line 16, and column 5, line 3 to column 6, line 15. *See*, Office Action at pages 4, 5. Applicants disagree.

In column 3, lines 40-58, Stein describes that its invention relates to a database and a system for the management thereof where the Financial Service Provider (“FSP”) can seamlessly view relationships between and among all of the entities in the database. For example, a brokerage has individuals and institutions as clients and can offer a number of services, including various different account types, transaction services, products, and access to third parties’ products and services. Further, the third parties may elect to conduct transactions through the

FSP. For example, a client may invest in the third parties' mutual fund while the third party uses the services of the FSP to buy and sell the stocks forming the mutual fund.

To this end, in this portion, Stein describes a system that allows the FSP access to the client's information and all related information regardless of the type and/or source of the related information. However, in this portion, Stein does not describe or otherwise suggest an order/transaction processing section configured to apply at least one of the rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer contained in the respective received transaction.

That is, in the relied upon portions, there is no mention of a processing section that can apply rules to the received transaction to determine whether or not to allow execution of the requested order or asset transfer in the transaction, and certainly there is no mention of a processing section that can apply rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer in the transaction. Column 4, line 16 of Stein is equally deficient. In column 4, line 16, Stein describes that a client/counterparty identification ("CCID") can be assigned to various entities including a prime or principal transaction broker, an execution broker, a broker-dealer, and the like. As such, this portion of Stein, also fails to describe or suggest the above-recited features of claim 6.

In column 5, line 5 to column 6, line 15, Stein describes a process for generating a new CCID and not a process for applying rules to transactions to determine whether or not to automatically approve execution of the order or the asset transfer contained in the transaction or to forward the transaction for manual approval of a transaction based on the outcome of the

rules. Specifically, in column 5, line 50 to column 6, line 15, Stein describes that the new provisional CCID will go through an approval process in the preferred system. The approval can be generated electronically by comparing the new provisional CCID information with pre-defined criteria. Alternatively, the approval can require the new provisional CCID information to be sent through various FSP's organizational levels before the new provisional CCID can be approved.

This section merely describes the manner in which the new provisional CCID may be approved. In one implementation, the approval may be generated electronically by comparing the new provisional CCID with pre-defined criteria. In another implementation, the approval may have to go through various FSP's organization levels before approval. Even if it is assumed for the sake of argument that in this section Stein describes automatic and manual approval of the CCID, Stein still fails to describe or suggest how the approval decision is made. That is, Stein fails to describe a rule being applied to the CCID and based on application of this rule to the CCID either automatically approve it or sent it for manual approval. Furthermore, approval of CCID is completely different from approval of an order to be sent to the market for execution or of an asset transfer from an account.

As such, the relied upon portions of Stein also do not describe or suggest an order/transaction processing section configured to apply at least one of the rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer contained in the respective received transaction, wherein:

upon determining to automatically approve execution of the requested order or asset transfer contained in a first received transaction, based on application of at least one of the rules to the request for the order or asset transfer in the first received transaction, the order/transaction processing section forwards the order or the asset transfer in the request contained in the first received transaction to an execution process for fulfillment; and

upon the application of at least one of the rules to a second received transaction indicating a manual user approval is required for execution of the order or asset transfer, in the request contained in a second received transaction, the order/transaction processing section forwards the request for the order or asset transfer contained in the second received transaction to a user for possible manual approval for execution for fulfillment, as recited in claim 6.

To distinguish Stein further, claim 6 requires that a rule has an assigned level of scope of application selected from a plurality of preset levels, where each preset level of scope of application specifies a scope of source of transactions to which the rule should apply. Independent claim 6 also requires that the assigned level of scope of application for the rule is adjustable, from a first one of the preset levels to a second one of the preset levels, based on a user setting. It is respectfully submitted that neither Stein nor the allegedly obvious modification of Stein proposed in the rejection of claim 6 would satisfy the independent claim requirements regarding a rule having one of a plurality of levels of scope of application including transaction source, assigned to the rule from among a number of preset levels based on a user setting.

As noted above, Stein discloses a system for integrating and structuring the relationships of FSP with its clients and with third parties (counterparties) with which the FSP transacts business. Each entity with which the FSP transacts business as well as each of the transacting entities internal to the FSP are assigned a unique, non-intelligent identifier CCID, and a

relationship is established between each identifier and at least one other entity likewise identified. The system allows the FSP's users to seamlessly access information and transact business with all entities. Attention is directed to the abstract. The text of the Stein patent does mention a number of rules, and the rules are hierarchical. *See e.g.*, Stein at col. 2, lines 36-42; and col. 3, lines 29-39. However, Applicants maintain that Stein does not actually disclose that a transaction approval/disapproval rule is assigned a level of scope of applicability regarding transaction source, from a plurality of preset levels of scope of applicability, based on a user setting.

The alleged AAPA also fails to describe or suggest these features. Since each of Stein and AAPA fails to describe or suggest the above-recited features of claim 6, their proposed combination necessarily fails to describe or suggest the above-recited features of claim 6.

In addition to the distinctions/errors noted above with regard to the basic rejection of claim 6, Applicants previously submitted that

the allegations of prior art admissions in the latest Action, as well as the related earlier taking of Official Notice on corresponding points in the preceding Action, are inappropriate. Applicants have not conceded or admitted that the points raised with regard to claims 7-13 were all known in the art **prior** to Applicants' invention. The previous response did in fact challenge the taking of Official Notice, particularly with regard to issues relating to prior art knowledge of levels of scope of application to a specific account, a specific registered representative, a specific office, a specific firm, and a global level. In view of that challenge, the rationale expressed on pages 2 and 3 of the latest Detailed Action for converting Official Notice into prior art admissions is clearly in error. Applicants maintain that use of Official Notice is not an appropriate substitute for evidence in this case. If there is some evidence on so many relevant claim points, it is incumbent on the Examiner to come forward with the evidence, to allow Applicants a meaningful opportunity to respond and to create a complete record for purposes of Appeal if necessary (see e.g. *Lee* and *Zurko* cited above). The vague reliance on Official Notice and/or attempted conversion thereof to some kind of admission does not provide the requisite level of evidence to support a prima facie case of obviousness, with respect to any of Applicants' independent or dependent claims. Hence, the rejection over Stein and Official Notice also is improper and should be withdrawn.

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*See*, Amendment dated July 27, 2010 at pages 16 and 17. Accordingly, Applicants have not conceded or admitted that the points raised with regard to claims 7-13 and 32-38 were all known in the art **prior** to Applicant's invention.

The Office Action indicates that Applicants "failed to properly traverse even one of the Noticed dependent claims in the traversal [of] January 8, 2008. Subsequent traversals are moot since proper traversal must be made in the immediate response following the Notice." *See*, Office Action at page 2. This is incorrect. Applicants respectfully submit that the Amendment of January 8, 2008 properly traversed the Official Notice with respect to the dependent claims. Specifically, Applicants point the Examiner to pages 11-12 of the Amendment of January 8, 2008 which properly traversed the Official Notice.

Based on the forgoing, the rejection of claim 6 does not make the requisite showing under **Graham** and does not provide the rational underpinning for the conclusion of obviousness required by **KSR**. Therefore, the rejection is improper and should be withdrawn. Since the basic rejection over Stein and the alleged AAPA does not meet the requirements of showing obviousness of independent claim 6 and should be withdrawn for lack of evidence, the rejection of dependent claims 7-13, 29, and 30 also does not lead to a conclusion that any of Applicants' pending claims are unpatentable over the art.

Independent claim 31 includes features similar to the above-recited features of independent claim 6. Therefore, for at least the reasons presented above with respect to independent claim 6, Applicants respectfully request reconsideration and withdrawal of the rejection of independent claim 31, along with its dependent claims.

For the reasons outlined above, it is respectfully submitted that claims 6-13 and 29-40 patentably distinguish over the various modifications/combinations of art applied in the latest

Office Action and that the art rejections should be withdrawn. Applicants therefore submit that all of the claims are in condition for allowance. Accordingly, this case should now be ready to pass to issue; and Applicants respectfully request a prompt favorable reconsideration of this matter.

**Conclusion**

Having fully responded to all matters raised in the Office Action, Applicants submit that all claims are in condition for allowance, an indication for which is respectfully solicited. If there are any outstanding issues that might be resolved by an interview or an Examiner's amendment, the Examiner is requested to call Applicants' attorney at the telephone number shown below.

To the extent necessary, if any, a petition for an extension of time under 37 C.F.R. § 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

McDERMOTT WILL & EMERY LLP



Babak Akhlaghi  
Limited Recognition No. L0250

600 13<sup>th</sup> Street, N.W.  
Washington, DC 20005-3096  
Phone: 202.756.8000 KEG:BA:MWE  
Facsimile: 202.756.808  
**Date: January 13, 2011**

**Please recognize our Customer No. 20277  
as our correspondence address.**